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ABSTRACT

This study reviewed the historical development of the teacher-compensation paradigm, discussed the current trends in alternative compensation policy strategies, and examined the teacher-compensation policies and practices in one state. The study was a mixed-methods policy analysis that used multiple linear regression, cluster analysis, and interpretative interviews to examine how 24 local school districts in a major metropolitan area of a Midwestern state develop and implement teacher-compensation policies. A significant relationship was found between the percentage of district revenue received from the state and the ratio of actual classroom teachers to students and the district's beginning teacher salary and maximum teacher salary. Interview data examined the role of the local human-resource officer in implementing policy and developing strategic practices. Local policy and practice, as shown through the human-resource officer, illustrates regional similarity and significant local variation as the districts seek to recruit, reward, and retain highly qualified teachers in an atmosphere of increasing accountability and decreasing revenue. (Author)

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PAYING TEACHERS FOR THEIR WORTH: POLICIES ON TEACHER COMPENSATION AT THE SCHOOL DISTRICT AND REGIONAL LEVELS

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Abstract

This study is a mixed methods policy analysis that uses multiple linear regression, cluster analysis, and collected data with interpretative interviews to examine how twenty-four local school districts in a major metropolitan area of a Midwestern state develop and implement teacher compensation policies. A significant relationship was found between the percentage of district revenue received from the state and the ratio of actual classroom teachers to students and the district's beginning teacher salary and maximum teacher salary. Interview data examined the role of the local human resource officer in implementing policy and developing strategic practices. Local policy and practice, as shown through the human resource officer, illustrates regional similarity and significant local variation as the districts seek to recruit, reward, and retain highly qualified teachers in an atmosphere of increasing accountability and decreasing revenue.

Paying teachers for their worth: Policies on teacher compensation at the school district and regional levels

Introduction

The headline read "Star Social Studies Teacher Inks 3 year Deal for $21MM." The newspaper then went on to describe how this teacher will bring the needed depth, breadth, and experience to the up and coming department and will give it the competitive edge with the other county high schools that it has long sought. Needless to say, the alumni association was very pleased with this latest acquisition.

While the newspaper story is pure fiction, some of the thoughts behind it are not. The desire to recruit and retain highly qualified teachers who will strengthen academic departments and subsequent student achievement is very real. School districts consciously develop policies and practices to seek out the best candidates and then provide the work environment and compensation system needed to retain and reward.

This study will review the historical development of teacher compensation paradigms, discuss the current trends in alternative compensation policy strategies, and will then examine the teacher compensation policies and practices of a suburban county in a major metropolitan area in the Midwest.

Pay Policy Paradigms

Education and "schooling" have changed throughout American history as America itself has changed. The education of children in Colonial America was a sparse and sometime thing. As the

industrial revolution took hold and cities grew with swelling numbers of immigrants, education became more organized and more accessible. The turn of the 20th Century through the Cold War Era brought systematization and a hierarchical structure to what had become a compulsory right of passage for American children. Through each of these historical developments, local communities developed policies and practices to hire and compensate the local schoolmaster or schoolmarm, the district teacher or educator. The policies were shaped by the social, political, economic, and geographic contexts of the community.

Boarding Round

The first teacher compensation policy implementation was termed Boarding Round. As Table 1 indicates, this policy was in place during the Colonial period through the mid 19th Century. Under this paradigm, teachers were hired by the local community elders or school committee and were provided with room and board in the homes of the scholars. Usually the teacher moved from house to house during the course of the term and sometimes they were provided with a small stipend, often in the form of produce or livestock, at the end of a successful term (Butts & Cremin, 1953). The local community had total control over the hiring and the supervision of the town's teacher. This policy worked within the agrarian barter economy of geographically separated villages and towns. The inherent difficulties with the system included transient teachers with high turnover, seasonal work that did not appeal to male "breadwinners," and vagaries of the

compensation based on the local community's able to pay (Lucas, 1999).

Table 1: Pay policy paradigms

Paradigm:	Period:	Provided:	Policy Characteristics:	Policy Issues:
Boarding Round	Colonial Period through mid 19th Century	• Room and board • Small stipend	• Local control • Supervise teacher • Moral control	• Transient teachers • No credentials • "Pay" based on local ability
Pay for Position	Mid 19th Century through early 20th Century	• Salary based on teaching position • Increase by "merit"	• Secondary teachers were paid more • Elementary teachers were paid less • Urban based	• Four year degree for secondary teachers • Two year Normal School for elementary • Male teachers paid more than female • White teachers paid more than non-white • White male administration • Pay based on local ability
Single Salary Schedule	Early 20th Century through 21st Century	• Salary from printed schedule matrix • One schedule for "all" teachers	• Salary increase based on education and experience • Increases "automatic"	• Four year degree for all positions • State license required • Salary more equalized • Increase not based on performance • Union negotiations
	Merit Pay a. Early 1960's b. Mid 1980's	• Added to schedule • Increase based on performance	• Merit determined and bonus paid	• Definition of "merit" • Assessment of "merit" • Contingent on local funding
	Career Ladder Mid 1980's	• Added to schedule • Increase based on career program	• Added responsibilities • Based on years • Differentiated support	• Purpose: salary or support? • Required oversight • Contingent on state funding

Boarding Round worked, as well as could be expected, when the social, economic, and geographic contexts were able to support it. The policy persisted well into the second half of the 19th Century on the Kansas frontier and in other frontier towns of the Old West. But the East was pushing new boundaries in population, manufacturing, and commerce. Boarding Round was not going to work in an urbanized America.

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Pay for position

Cities grew, immigration swelled, manufacturing became the mainstay of commerce, and education could not remain a sometimes thing. More students in need of greater skills required a larger, better trained teaching corps. Boarding Round could not compete within the context of city life and a cash economy. Kuhn (1962) has informed us that a paradigm maintains its strength because of its explanatory power. The current paradigm exists because it can answer the questions being raised about the phenomenon or grow to subsume new data and maintain its explanatory power. When the current paradigm cannot continue to explain or to subsume, then the paradigm will gradually shift to a different model that will answer the questions and develop explanatory power. The Boarding Round paradigm shifted to the pay for position paradigm.

This second major compensation paradigm began with the industrial revolution and urbanization. This policy paid teachers in cash based on the grade, or position, that they taught. The training requirements were different for elementary and secondary teachers. Two year Normal School degrees were sufficient for the elementary grades, while the secondary schools required a four-year undergraduate degree. Different requirements produced different pay scales and the more highly trained secondary teachers were more highly compensated.

The majority of elementary teachers were women. Local school committees recognized the need to expand educational opportunities but, as businessmen, they also recognized the need

to control costs. Men proved to be unwilling to work for the low wages being offered for elementary teaching. Women were willing to take the assignment for reasons that included the social status value of teaching, the income earned prior to marriage, the ability to move out on their own, and the fact that teaching was one of the few occupations open to the women of the time (Spring, 1986; Tyack & Strober, 1981).

There were fewer secondary schools in America during this period and they were populated with students from the more well-to-do families in town who recognized the need for further education and were financially able to allow their sons, and sometimes their daughters, to continue with school rather than seek employment at one of the local factories. Secondary teachers faced greater expectations, were required to have a higher level of training, and were paid more because of their position. Men tended to accept secondary teaching positions because of the increased status of the position and the concomitant higher salary. Men also tended to move into the ranks of school administration, which was an outgrowth of the scientific management movement and the studies of F. W. Taylor (Callahan, 1962).

Pay for position fit the cash economy and the systematization of education and it brought some stability to teacher compensation. But there were three side effects to the paradigm. Men were paid more than women and many southern states built separate pay scales based on the race of the teacher (Tyack, 1974; Baker, 1995). Black teachers were routinely paid

less than white teachers, even in the same school district. Thirdly, salary raises were given based upon the subjective, administrative determination of "merit." There were no universal standards equally applicable to all teachers (Odden & Kelley, 2002). Pay for position was sexist, racist, and prone to favoritism. The paradigm was in need of another shift.

Single salary schedule

The single salary schedule paradigm was first implemented in 1920 but did not become the dominant paradigm until the 1960's (Protsik, 1996). The single salary schedule compensates teachers from a matrix built around years of experience and educational credits. For example, all teachers in the same district with seven years of experience and a Masters degree will be paid the same base salary regardless of position or academic discipline, gender, race, or popularity. The unanswered issues of sexism, racism, and favoritism are answered through the structure of the single salary schedule applied to all teachers fairly and equally. The rise to dominance of the single salary schedule is paralleled by the growth of teacher unions and collective bargaining (Feldman, 1998).

There have been two minor alterations made to the single salary schedule in the last forty years: merit pay and the career ladder. Merit pay was first introduced in the early 1960's as the nation reeled in response to the Soviet Union's success with Sputnik and space exploration. It later became fashionable during the mid 1980's after the publication of *A Nation at Risk* (1983). Merit pay was designed to provide

additional salary to those teachers who were deemed to be meritorious. However there were concerns with the definition of merit, the assessment of what actually constituted meritorious performance, and the stability of local funds to support merit pay programs (Hatry, et al, 1994; Murnane & Cohen, 1986).

The career ladder plans began in mid 1980's, again as a response to *A Nation at Risk*. The career ladder plans were usually state sponsored and provided additional salary, set at predetermined rungs on the ladder, to those teachers who assumed additional duties and responsibilities beyond their classroom teaching assignment (Rosenholtz & Smylie, 1984; Schlectly, 1987). Most of these state plans were primarily used as a salary mechanism and not an educational support mechanism. The funding for most of these plans came from the state and most states have withdrawn their funding due to budgetary constraints. Merit pay and career ladders peaked and ebbed, but there are school districts and states that have maintained one or both of these salary enhancements.

The single salary schedule is based on a policy of fairness and equity. All teachers are placed in the salary matrix on the basis of objective standards, years and credits. The third grade teacher has the potential to earn the same salary as the high school physics teacher. The single salary paradigm is easier to explain and understand; it is easier to administer and to budget for anticipated salary increases; and it is easier to discuss in collective bargaining.

The paradigm has clear advantages and it is supported by a policy framework of fairness and equitable treatment. However, current voices argue that the fairness and equity perceived as a strength is in reality the major weakness of the single salary schedule (Ballou & Podgursky, 1997; Ballou & Podgursky, 2001; Odden & Kelley, 2002). By treating everyone exactly the same, schools foster a culture of mediocrity. Satisfactory performance becomes the norm and most evaluation systems basically separate the living from the dead. The living will get a pay raise, regardless of the level of performance or the effectiveness of their work. They argue for a policy change and a paradigm shift to new pay systems.

New pay

New pay policies move the focus from the entire group and the single method of compensation through salary matrix placement to the individual and the school group or district with compensation based on teacher knowledge and skills, performance, responsibility, and other locally determined specific issues and pay elements (Mohrman, Mohrman & Odden, 1996). Table 2 illustrates many of the current issues and pay elements being discussed and promoted by new pay advocates who seem to have based some of their thinking on compensation strategies used in the private sector (Lawler, 2000; Schuster & Zingheim, 1992). Shifting from the single schedule, they argue, can increase teacher accountability, improve actual performance, and target scarce fiscal resources to where they will have the greatest effect (Odden & Kelley, 2002; the Business Round Table,

2001). Large and small school districts and even states have begun to examine their compensation policies and have discussed and sometimes implemented shifts from the single schedule to a new compensation system based upon the elements of new pay (Kelley, 2000; Kelley, Henneman & Milanowski, 2000; Malen, 1999).

Table 2: Elements of New Pay

I. Knowledge and Skills Based Pay:	II. Performance Based Pay:	III. Responsibility Pay:	IV. Issue Specific Elements:
A. Curriculum and Instruction • Locally defined knowledge and skills • Performance Based Teacher Evaluation (PBTE)	A. Group or School Performance • Student achievement: State or national standards Predefined benchmarks Predefined progress • Attendance rate • Dropout rate	A. Responsibility Pay • Service as Mentor Teacher • Department chairperson • Lead teacher • Athletic coach • Club sponsor • Committee work • Curriculum development	A. Gainsharing • Share in a percent of savings
B. Educational Functions • Curriculum development • Professional development • Additional certifications	B. Individual Performance • Student achievement • Attendance rate • Locally defined		B. Signing bonus
C. Management and Leadership • Committee leadership • Site based management			C. Hard to staff school
D. Professional Community • State or National involvement • NBPTS certification			D. Scarce certification
			E. Individual attributes
Application: • Added to Base Pay • One time bonus • Fixed period bonus • Cumulative annuity	Application: • One time bonus • Cumulative annuity	Application: • Added to Base Pay • One time bonus • Fixed period bonus • Cumulative annuity	Application: • Added to Base Pay • One time bonus • Fixed period bonus

Note: Individual elements can be added, combined, and arranged at the determination of the local district.

Changes in the teacher compensation paradigm have been made and seemingly will continue to be made. Policy changes and paradigm shifts are fostered and forced by the changes in local, state, and national social, political, and economic conditions. School districts and states are faced with increasing accountability and decreasing revenue streams. Schools and

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regions develop and implement policies to recruit, retain, and reward highly qualified teachers. How they develop and implement those teacher compensation policies will be the focus of this study.

Methodology

This is a policy analysis and implementation study of how twenty-four local school districts in a large suburban county in a major metropolitan area in the Midwest compensate teachers. The study uses a concurrent mixed methods approach within a pragmatic framework. Quantitative data describing fiscal and organizational characteristics and published salary schedules were combined with qualitative interview data obtained from human resource officers in the subject school districts.

Quantitative measures

The quantitative measures used include a multiple linear regression, a cluster analysis based on the regression findings, and distribution data from the published salary schedules of the twenty-four county school districts.

Multiple linear regression

The study sought to determine if there were extant conditions that seem to have a significant effect on the local school district's decisions about teacher salary and thereby affect the policy power of the human resource officer. The study sought to determine if there are variables among school districts that tend to influence their teacher salaries. In order to answer this question, the researcher selected appropriate school district variables and used the multiple

linear regression function in SPSS v11.5 to determine the significance of those variables.

This analysis used selected school district data reported to the state education agency by each of the 524 public school districts in the state. The data from each of the 524 school districts in the state is collected through self-report on an annual basis.

The independent variables used were the percentage of students in the district receiving free or reduced price lunch, the percentage of local district revenue received from the state, current district expenditures per average daily attendance, the district's assessed valuation per average daily attendance, the ratio of actual classroom teachers to students, and the combined local tax levy for the teacher's fund and the general operations fund. All data for these variables were obtained through the state education agency.

The dependent variables used were the local district's beginning teacher salary, average teacher salary, and the locally defined maximum teacher salary. The beginning teacher salary and the locally defined maximum teacher salary were obtained from the state teacher organizations and the average teacher salary was obtained through the state education agency. One of the suburban school districts does not use a single salary schedule. That district has a defined beginning teacher's salary but then uses an incentive pay plan beyond the first year of service that does not include a maximum salary cap. In salary schedule comparisons, this district is an outlier.

Tests of collinearity were conducted to determine the independence of the independent variables. Both the tolerance levels and the value inflation factors (VIF) were found to be close to 1.000 and within an acceptable range (George and Mallery, 2001). Further tests were conducted to determine the normality of the data distribution. While the data does not fit a perfect normal distribution, it does fall within an acceptable level (Hair, Anderson, Tatham, and Black, 1998).

A series of models were generated through a stepwise regression for each of the salary level equations. The model with the best fit in each of the three instances for both school years used the independent variables of the percentage of district revenue from the state and ratio of actual classroom teachers to students as the predictors.

Table 3: Model Summary Statistics for SY2000-2001

Dependent variable	R Square	Adjusted R Square	df1	df2	Significant F change
Minimum Salary	0.420	0.418	1	512	0.000
Average Salary	0.520	0.518	1	520	0.000
Maximum Salary	0.497	0.495	1	511	0.000

As Tables 3 and 4 indicate, the chosen model shows that there is a statistically significant relationship between a district's percentage of revenue received from state sources and

the ratio of actual classroom teachers to students and the district's minimum, average and maximum teacher salaries.

Table 4: Model Summary Statistics for SY2001-2002

Dependent variable	R Square	Adjusted R Square	df1	df2	Significant F change
Minimum Salary	0.418	0.416	1	519	0.000
Average Salary	0.498	0.496	1	520	0.000
Maximum Salary	0.495	0.493	1	519	0.000

The significant R Square findings indicate that a relationship does exist and the relationship accounts for 42.0% to 52.0% of the variance in SY2000-2001 and for 41.8% to 49.5% of the variance in SY2001-2002 in the actual salary levels from what would be expected in a random distribution of salaries at those levels.

Cluster analysis

The study then used the twenty-four suburban school districts as the cases in a cluster analysis. The purpose of the cluster analysis was to determine if there was a way to group the cases based on the characteristics they possess (Van Ryzin, 1995). With the twenty-four school districts as the cases, the researcher used the two variables from the best fit multiple linear regression models, the district's percentage of revenue received from state sources and the ratio of actual classroom teachers to students. The cluster analysis should identify the

relationship among the cases according to the selected characteristics.

The cluster analysis used a hierarchical method with squared Euclidean distance measure and Ward's method of agglomerative clustering. The cluster analysis was performed using SPSS v11.5. The resulting dendogram produced a cluster of the twenty-four districts. Cluster analysis will always produce a dendogram. The researcher's task is to profile the cluster solution. Hair, Anderson, Tatham and Black (1998) write: "In short, the profile analysis focuses on describing not what directly determines the clusters but the characteristics of the clusters after they have been identified" (p.501).

After examining the dendogram, it would appear that three natural breaks are present. The characteristics of the dendogram clusters are presented in Table 5.

Table 5: Dendogram characteristics for twenty-four suburban schools, SY2001-2002

	Number of cases	Average percentage of state revenue	Average students per classroom teacher	Average minimum salary	Average salary	Average maximum salary
Cluster 1	12	7.12%	15.31	30,180	46,370	64,345
Cluster 2	8	27.44%	17.20	30,218	43,990	63,856
Cluster 3	4	57.96%	18.77	31,321	43,341	62,826
County averages		22.37%	16.52	30,383	45,072	63,911

Examining the differences in the cluster group averages in Table 5 provides characteristics of these districts and the district's percentage of revenue received from state sources and the ratio of actual classroom teachers to students. As you move from Cluster 1 to Cluster 3 you can see that the percentage of revenue from state sources increases to over 50% of all revenue. Decreased state revenue would seem to indicate a property richer environment and probably a wealthier per capita citizenry. Conversely, increased state revenue would seem to indicate a property poorer environment and probably a less wealthy citizenry. The ratio of actual classroom teachers to students also tends to increase as the clusters move from property rich to property poor.

Beginning teacher salaries tend to move from lower in Cluster 1 to higher in Cluster 3. While maximum salaries tend to the opposite, higher in Cluster 1 to lower in Cluster 3. This could reflect an attempt to attract candidates into Cluster 3 schools while rewarding longevity in Cluster 1 schools. This pattern will be discussed in the interviews.

Local salary schedules

Local district salary schedules were collected for the prior five-year period. Salary ranges for beginning teacher salary and maximum teacher salary are presented in Table 6.

Table 6: Salary range data for all county suburban schools, SY1997-1998 through SY2001-2002

School year	Minimum salary range			Maximum salary range		
SY1997-1998	24,250	----	28,216	40,096	----	63,251
SY1998-1999	25,296	----	29,426	41,367	----	67,057
SY1999-2000	25,296	----	30,309	41,367	----	69,069
SY2000-2001	26,300	----	31,643	45,986	----	73,804
SY2001-2002	27,950	----	34,019	46,986	----	75,649

The salary ranges for the suburban schools by Cluster for SY2001-2002 is presented in Table 7.

Table 7: Salary ranges by county, SY2001-2002

	Number of cases	Minimum salary range			Maximum salary range		
Cluster 1	12	27,950	----	31,677	60,344	----	75,649
Cluster 2	8	28,500	----	32,842	59,400	----	69,328
Cluster 3	4	29,500	----	34,019	46,986	----	70,835

The one suburban district that uses an incentive pay plan rather than a single salary schedule meets all other criteria

for inclusion in Cluster 1 and is included in that Cluster. However, as an outlier the maximum salary paid in that district is not included in Tables 5, 6, and 7.

Summarizing the quantitative data, teacher compensation policies seem to be influenced by the percentage of revenue received from state sources and the ratio of actual classroom teachers to students. The target population of school districts for this study tends to fall into three clusters based on the above identified variables. Each cluster seems to have certain characteristics that may influence the district's teacher compensation policy.

The next step will be to combine these quantitative findings with the qualitative data to be gathered through interviews.

Qualitative measures

Interviews were held with human resource officers in the target school districts. The selection required that the human resource officer had to have experience negotiating a salary agreement with the local teacher organization. Of the twenty-four suburban school districts, nineteen have an administrative position where the primary duties involve human resources and twelve of the nineteen met the interview criteria of negotiating experience. This study uses a sample of individuals with special characteristics, an elite population (Rothbart, Fine, and Sudman, 1982). There has been relatively little research on the role of human resource officers in the development and implementation of policies and practices concerning teacher

salary schedules and this study seeks to address the potential of wrong population error in other studies that have not included or examined the role of the human resource officer.

An interview protocol was developed and tested and then used with the target population. The questions were primarily open ended and arranged so that the question order would reflect the process used in teacher salary discussions and were organized around detecting context effects, such as the process of salary discussions within the local district and the perception of the need for change (Schuman and Presser, 1996). The interview protocol was designed to produce what Rubin and Rubin (1995) described as guided conversations.

Two interview sessions of one hour each were held with each participant. During the second interview, an analysis of that district's specific salary history, prepared by the researcher, was shared with the participating human resource officer.

The researcher is a former human resource officer in the suburban county under examination and meets the qualifications to be a member of this elite interview group. The participant interviews, the accumulated salary data, and the researcher's background and knowledge will form the three sources for triangulation and the assessment of criterion validity.

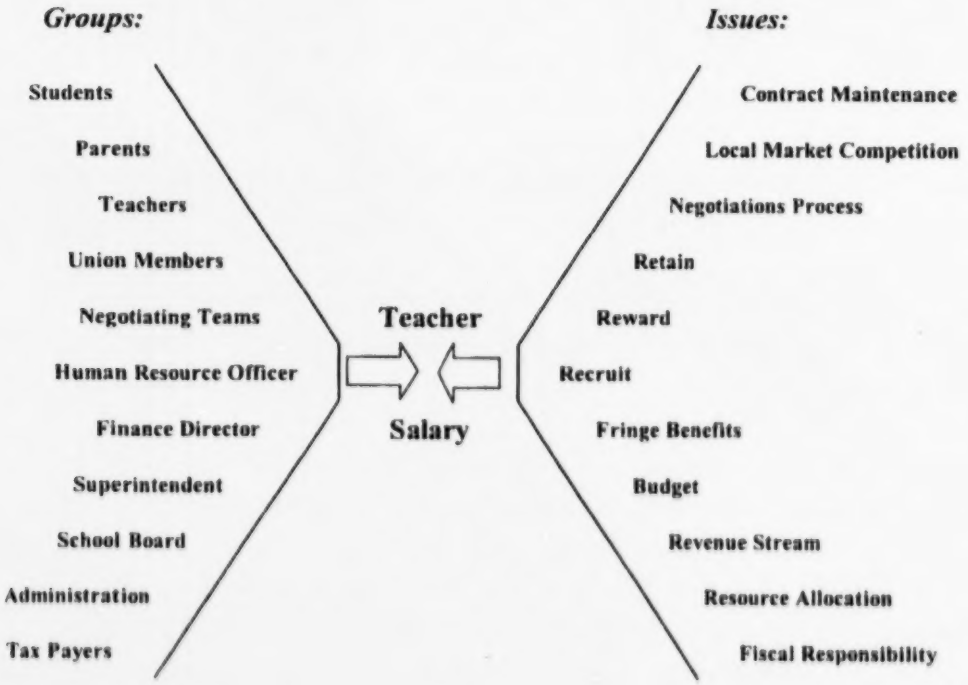
Each of the interviews was tape recorded and transcribed and will be analyzed using Qualrus qualitative analysis software.

Preliminary findings

The twelve local school districts presented a variety of policy directives and practical implementation strategies. While

there was variance in both policy and practice, certain similarities, or similarity of issues, can be found. Figure 1 illustrates the contextual factors at play in determining and implementing teacher compensation policies and practices.

Figure 1: Teacher salaries in the local context



There are multiple stakeholder groups (shown on the left of the diagram) with an interest in teacher salaries and there are many significant issues (on the right) that affect local policy and practices. This study has examined the particular role of the human resource officer and how that individual must address these issues and develop the practices that will implement local policy.

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This discussion of preliminary findings and the role of the human resource officer and teacher compensation will be anchored around three strategies: recruit, reward, and retain teachers.

Recruit

Human resource officers see their competitive market in a localized context. The teacher market is not global and usually is not national or even statewide. A candidate will usually determine a geographical area for their search for employment and that will define the market. Once the candidate opts for the geographical market, human resource officers see themselves in competition with other local districts, but not all local districts. Districts see themselves more in a band of competition with other districts with their same Cluster, by and large. This is most true of Cluster 1 schools. Cluster 2 schools are in competition with other Cluster 2 schools, some Cluster 1 schools, and in some cases Cluster 3 schools.

During the interviews, it was frequently mentioned that it was becoming more difficult to find candidates with specific teaching credentials, such as mathematics, the sciences, industrial technology, family and consumer science and even foreign languages, band and vocal music. The human resource officers noted the reduction in the supply of these candidates, but they did not feel they had reached a critical point where they could not staff a discipline or a program or where they would advocate using a signing bonus or a higher initial salary placement for critical needs certifications. But they are watching this trend.

Districts will work to position their salary to be competitive first within the twenty-four districts of the county and then competitively positioned with their self-defined band of competition. Market positioning of salary levels ran from being one of the top three schools, in the top third, in the top quartile, to above the median. No one sought to be below average. Those schools that were below average still identified their goal as being above the average.

Specific district policy was most apparent in the experience level of the candidates sought. District level policy ranged from seeking candidates with three years of experience or less to seeking candidates with a Masters degree and seven years of experience. It appears that the district's salary policy is driven by either a focus on finances or a focus on instruction. Experience credit for initial placement on the local salary schedule is clearly a local policy decision that has implications for the type of candidate the human resource officer will seek and for the candidate who may self-select out of applying to that district.

Human resource officers spoke to the need for a competitive salary schedule to initially attract candidates, but many also indicated that the salary and benefits package had to be sufficiently comprehensive. Once this threshold was reached, then they could then look at a larger candidate pool and what each candidate can bring to the district and what the district can provide for them. Recruitment strategies also emphasized the

supportive community, the desirability of the community, and most importantly the positive work environment.

Reward

The analysis of reward structure will examine the salary schedule and how it can be manipulated, the role of the local teacher organization, and the compensation enhancements implemented by local district policy.

Salary schedule

Local policy has determined the type of compensation system used by the district. Twenty-three of the twenty-four county districts use a single salary schedule model and the remaining district uses an incentive pay plan that does not include a salary schedule.

The single salary schedule districts have manipulated their schedules over the years to accomplish different goals. The changes seem to reflect either an attempt to become more competitive or an attempt to reward the longevity of the more veteran teachers.

To become more competitive districts have added funds to raise the base salary and consequently the salaries of all teachers. They also have eliminated the bottom step through restructuring and forced the base salary up in order to be more competitive to beginning teachers. They have added new channels to offer multiple salary placements, usually for additional educational credits and placed between specific degree channels, to be more competitive with experienced teachers. Finally, they have expanded the number of years of prior experience credit,

sometimes including non-teaching but related experience, which can be applied to initial salary placement, thus becoming more attractive to experienced teachers. Districts will also target specific areas in the salary schedule, such as Masters degree with five years of experience, that do not seem to be competitive with other districts and alter the index numbers in those targeted areas in order to strengthen the schedule and remain competitive.

To reward longevity districts have created balloon steps at the top of the schedule that provide the most experienced teacher with a higher than average percent of raise. Balloon steps are not generally considered to be best practice because they have the propensity to continue to grow in size and become fiscally unmanageable. In order to eliminate balloon steps, districts will either recreate the index numbers that feed the schedule or they will add longevity steps, sometimes both. When they add longevity steps, only the more senior staff can attain these levels and the requirements for each level will vary according to district policy.

Teacher organization

This Midwestern state is a "meet and confer" state; it does not allow collective bargaining by public school employees. However, teachers are organized and all of the human resource officer in the study met with representatives of teacher organizations. The local district organizations can be affiliated with the National Education Association, the American Federation of Teachers, the separate state teacher organization,

or a purely local teacher organization that represents only the teachers in that district and is not affiliated with a state or national organization.

The human resource officers described their respective teacher organizations as being relatively inactive to highly active and engaged in political campaigns to elect local school board members. In salary discussions human resource officers may meet with one teacher organization only or as many as two or three organizational representatives combined into one teacher discussion team. One district even made a point of including independents, non-affiliates, on the teacher salary discussion committee.

The salary discussion themselves ranged from the traditional adversarial format, to a total win-win or interest based bargaining model, to a format that combined elements of both models. There have been no recent job actions taken by the local teacher organizations, though one district reported a work-to-rule situation that occurred there three years ago. The human resource officer described that case as involving a lack of trust between the two groups, labor and management, over how much money was available to fund salary raises.

There was a persistent trend towards building a collaborative relationship with the teacher organization(s), regardless of the discussion format used. Teachers in many districts were invited into discussions of the district budget, including projected revenue and projected expenses. Salary discussions were separated from non-salary discussions. Joint

labor-management committees were established to review the budget and prepare salary recommendations. Mention was made of the Professional Relations Council in one district and the Evaluation and Salary Committee in another. In a number of districts the teachers were able to have significant input into the placement of new funds into the salary schedule, once the amount of money available was determined. Determining the amount of money available for salary raises was by and large an administrative function, based on revenue streams and resource allocation. The goal of collaborative relationships seems to be more of an informal policy practice.

Because this state is not a collective bargaining state and teacher strikes are prohibited by statute, the local school district retains the balance of power in all discussions. Many of the districts in the study seem to operate as if they were in a collective bargaining situation, seeking mutual gain and labor peace, but the ultimate power resides with the local board of education.

Compensation enhancements

The study found a number of local districts had policies that created issue-specific salary enhancements. An enhancement would be compensation received by the teacher that was not based on the salary schedule; it is an addition to it.

The most common enhancements were extra duty contracts for coaching and co-curricular activity sponsorship, responsibility pay for teachers serving as mentors to beginning teachers, knowledge and skills based pay for additional curriculum work

done during the summer, and tuition reimbursement. Less common was an additional stipend for National Board certification. One district had a merit pay award for outstanding service and one district did participate in the state's career ladder plan.

Three districts used their professional growth policies to also serve as compensation enhancements. Those districts would allow teachers to apply for grants, in one case up to $5,000, in order to pursue an individualized professional growth opportunity. Teachers would apply and need administrative approval before beginning the activity. Some of the activities described included serving as the leader of professional development study group, a trip to the Rock-N-Roll Hall of Fame by a music teacher, and a trip to the rainforests of Costa Rica by a science teacher.

Three districts in particular linked recruitment and reward strategies to retention. One human resource officer remarked that the reason people come to this district initially is the same reason people stay here.

Retention

Of the three areas, recruit, reward, and retain, teacher retention is often not directly linked to teacher compensation policies. Once an acceptable level of salary and benefits has been reached and maintained, it ceases to be a driving motivational factor. If there is a significant difference in potential salary, over $5,000, from one district to another, teachers have moved to another district within the region. A salary move for experienced teachers is usually made from a

lower Cluster to a higher Cluster. However, there were examples of a teacher moving to a lower Cluster for an even more significant salary increase. The moves for salary usually occur between districts that have the same kind of student population.

When teachers leave a district, the human resource officers indicated that the overwhelming reasons were spousal transfer and geography. Spousal transfer causes the family to relocate out of town. Geography has become an issue with the reduced pool of candidates. Teachers who previously were willing to drive long distances for employment are now finding positions available nearer to where they live. With a reduced candidate pool, districts are casting a wider net.

Compensation connected retention policies and strategies are primarily the same things that assist recruitment and reward strategies. This would seem to be especially the case with collaborative involvement through on-going teacher committees and councils and a predisposition of labor and management to address issues when they arise rather than wait for the next cycle of meet and confer discussions. The use of professional development funds to enhance compensation seems to support a district's retention efforts and provide some teacher autonomy.

Retention strategies seem to combine an underlay of salary and benefits and an overlay of work environment and community support. As one human resource officer stated, "Teachers here want to be well paid, but they don't come here just for salary."

Summary and recommendations

How a district is able to recruit, reward, and retain highly qualified teachers is influenced by the district's percentage of revenue received from state sources and the ratio of actual classroom teachers to students. How the district works from that point is a function of local policies and practices. The human resource officer serves as the point of implementation for both formal and informal policy and develops the practices needed by the district in the contemporary arena of increasing accountability and decreasing revenue streams.

Most of the human resource officers interviewed indicated that the single salary schedule does not differentiate between levels of teacher performance. They saw this as a weakness. They also remarked that the single schedule has become so ingrained into institutional memory that it would be difficult to create compensation systems based on performance. Compensation alternatives are on the radar screen and are being discussed, and in some cases implemented. More research will be needed into the organizational conditions necessary for significant compensation change.

If compensation paradigm is to shift, then the role of the teacher organization or union will need to be more fully developed and explored. The roles and responsibilities of the teacher organization or union and the school board need to be further explicated.

There is a certain degree of policy level interaction between federal, state, and local policy agencies. Too often

there appears to be unfunded or inconsequentially funded mandates that trickle, or roar, down the policy stream. In addition, there are policy pronouncements with unanticipated and unintended consequences. For example, a reduction in class size can lead to additional teachers and increased demands on space and facilities. While the goal may be universally approved, policy implementation involves stretching already scarce resources.

Teachers are knowledge workers and education is different from a private sector business operation. Human resource officers implement local policy directives through the establishment of enabling practices that will work within the local context. They are also faced with what Jacobson (1995) has termed the persistent organizational dilemma: "school systems turn to monetary incentives to motivate teachers, yet they really don't want teachers who are primarily motivated by money" (p. 30).

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